

WEST CENTRAL COMMUNITY ACTION
INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2013

WEST CENTRAL COMMUNITY ACTION

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WEST CENTRAL COMMUNITY ACTION

BOARD OF DIRECTORS

Executive Board of Directors

Walter Utman	President
JoAnn Thomas	Vice President
Mark Wedemeyer	Secretary

Board Members

<u>Representing</u>			
<u>County</u>	<u>Government</u>	<u>Private</u>	<u>Low-Income</u>
Cass	Mark Wedemeyer	Dr. Ken Burkhardt	Mindi Hartman
Crawford	Jerry Buller	Cecil Blum Jr.	Vacant
Fremont	Bart Bartholomew	Rayann West	Becky Fichter
Harrison	Walter Utman	Trista Winchester	Joan Martens
Mills	Ron Kohn	Coleen Driscoll	Vacant
Monona	Tim Jessen	Vacant	Richard Swain
Montgomery	Steve Ratcliff	Vacant	JoAnn Thomas
Page	Elaine Armstrong	Margaret Burns	Rose Maxwell
Pottawattamie	Lynn Grobe	Darlene McMartin	Chris Ritter
Shelby	Steve Kenkel	Bryan Swain	Judith Knapp

Agency Officials

Joel Dirks	Executive Director
Barb English	Fiscal Officer
Dennis Lawson	Human Resource Director
Debra Martens	Child & Adult Care Service Director
Penny Lingle	Head Start/Early Head Start Director
Kelly Mahlberg	Acting Energy/Housing Director
Wendy Mueller	Acting LIHEAP/CSBG Director
Lynne Tremel	WIC Director
Ivy Nielsen	Senior Aide Project Director
Brittany Gosch	Executive Secretary
Mary Cummings	FaDSS Director

The Board of Directors and Officers of West Central Community Action represent each of the counties. The board members shall serve as follows:

- One-third shall be persons who are currently on a Board of Supervisors or their designee and appointed each January by each county board.
- One-third shall be persons who are representatives of business, industry, labor, religious, welfare and education organizations, or other major interest groups. Individuals are nominated by these interest groups and elected by the Organization's Board of Directors to a three year term with no limit on the number of terms they may serve.
- At least one-third shall be persons who, according to federal guidelines, have incomes at or below poverty level and are elected by such persons, or are representatives elected by such persons for a three year term with no limit on the number of terms they may serve.

Gronewold, Bell, Kyhnn & Co. P.C.

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DAVID A. GINTHER

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
West Central Community Action
Harlan, Iowa

Report on the Financial Statements

We have audited the accompanying statement of financial position of West Central Community Action as of September 30, 2013 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America: this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Board of Directors
West Central Community Action

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Central Community Action as of September 30, 2013, and the changes in its net assets, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the year ended September 30, 2012 (which are not presented herein) and expressed an unqualified opinion on those financial statements. The supplementary information included on page 1 and on Schedules 1 through 23, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our report dated January 24, 2014 on our consideration of West Central Community Action's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering West Central Community Action's internal control over financial reporting and compliance.

Annex, Bell, Thyer & Co. P.C.

Atlantic, Iowa
January 24, 2014

WEST CENTRAL COMMUNITY ACTION
Statement of Financial Position
All Funds
September 30, 2013

ASSETS	Administrative Fund	Program Funds	Plant Fund	Total
Cash	\$ 1,065,580	\$ --	\$ --	\$ 1,065,580
Investments	319,586	43,894	--	363,480
Accrued interest receivable	361	--	--	361
Receivables:				
Grantor agencies	--	1,014,190	--	1,014,190
Other sources	28,675	--	--	28,675
Due from other funds	148,393	--	--	148,393
Property and equipment at cost, less accumulated depreciation of \$1,991,203	--	--	3,046,564	3,046,564
Total Assets	<u>\$ 1,562,595</u>	<u>\$ 1,058,084</u>	<u>\$ 3,046,564</u>	<u>\$ 5,667,243</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Payables:				
Accounts	\$ 50,803	\$ 144,721	\$ --	\$ 195,524
Due to other funds	--	148,393	--	148,393
Accrued salaries and benefits	48,408	278,965	--	327,373
Compensated absences	328,040	--	--	328,040
Deferred revenue	--	186,564	--	186,564
Notes payable	827,291	--	--	827,291
Total Liabilities	1,254,542	758,643	--	2,013,185
Net Assets				
Undesignated	308,053	--	1,442,842	1,750,895
Temporarily restricted by grantor agencies	--	299,441	1,603,722	1,903,163
Total Net Assets	<u>308,053</u>	<u>299,441</u>	<u>3,046,564</u>	<u>3,654,058</u>
Total Liabilities and Net Assets	<u>\$ 1,562,595</u>	<u>\$ 1,058,084</u>	<u>\$ 3,046,564</u>	<u>\$ 5,667,243</u>

See notes to financial statements.

WEST CENTRAL COMMUNITY ACTION
Statement of Activities
All Funds
Year Ended September 30, 2013

	Administrative Fund	Program Funds	Plant Fund	Total
Revenues:				
Governmental Funding Sources:				
Iowa Dept. of Human Rights	\$ --	\$ 5,528,462	\$ --	\$ 5,528,462
U.S. Dept. of Health & Human Services	--	5,035,194	--	5,035,194
Iowa Dept. of Public Health	--	414,652	--	414,652
Iowa Dept. of Education	--	1,275,800	--	1,275,800
Iowa Dept. of Human Services	--	1,247,577	--	1,247,577
U.S. Dept. of Homeland Security	--	2,904	--	2,904
Various	--	958,078	--	958,078
In-Kind Contributions	--	1,979,880	--	1,979,880
Public Support and Contributions	49,427	105,606	--	155,033
Co-funding	--	533,792	--	533,792
Investment Income	3,627	74	--	3,701
Investment in Plant	--	--	97,220	97,220
Gain (Loss) on Sale of Equipment	--	12,726	--	12,726
Miscellaneous	113,358	226,993	--	340,351
Total Revenues	166,412	17,321,738	97,220	17,585,370
Expenses:				
Head Start	--	6,176,543	--	6,176,543
Community Services Block Grant (CSBG)	--	533,792	--	533,792
Child and Adult Care Food Program (CACFP)	--	1,297,356	--	1,297,356
Women, Infants and Children (WIC)	--	415,310	--	415,310
Low-Income Home Energy Assistance Program (LIHEAP)	--	3,461,845	--	3,461,845
Weatherization Assistance	--	854,519	--	854,519
Senior Community Services	--	568,279	--	568,279
Wrap Around Child Care	--	680,724	--	680,724
Child Care Resource & Referral (CCR&R)	--	707,489	--	707,489
Family Development	--	381,693	--	381,693
Early Childhood Iowa	--	282,640	--	282,640
Outreach	--	1,313,980	--	1,313,980
Other Programs	--	600,764	--	600,764
Administration	66,110	--	--	66,110
Depreciation	--	--	338,618	338,618
Total Expenses	66,110	17,274,934	338,618	17,679,662
Change in Net Assets	100,302	46,804	(241,398)	(94,292)
Net Assets - Beginning of Year	207,751	252,637	3,287,962	3,748,350
Net Assets - End of Year	\$ 308,053	\$ 299,441	\$ 3,046,564	\$ 3,654,058

See notes to financial statements.

WEST CENTRAL COMMUNITY ACTION
Statement of Functional Expenses
Administrative Fund and Program Funds
Year Ended September 30, 2013

	Administrative Fund	Program Funds	Total
Salaries and wages	\$ 429,365	\$ 5,127,282	\$ 5,556,647
Fringe benefits	114,622	1,547,841	1,662,463
Assistance to individuals	5,587	5,346,296	5,351,883
Professional fees	31,319	74,341	105,660
Travel	17,481	268,314	285,795
Occupancy	50,122	638,517	688,639
Utilities and telephone	18,399	189,939	208,338
Supplies and materials	18,890	477,008	495,898
Building and equipment	8,105	66,538	74,643
Printing, publications, and postage	42,963	93,241	136,204
Insurance	15,034	83,206	98,240
Interest expense	15,533	21,588	37,121
Miscellaneous	13,658	112,183	125,841
Co-funding	--	533,792	533,792
In-Kind:			
Labor	--	523,591	523,591
Materials and other	--	1,456,289	1,456,289
Total Expenses before Allocation of Indirect Costs	781,078	16,559,966	17,341,044
Allocation of Indirect Costs	(714,968)	714,968	--
Total Expenses	<u>\$ 66,110</u>	<u>\$ 17,274,934</u>	<u>\$ 17,341,044</u>

See notes to financial statements.

WEST CENTRAL COMMUNITY ACTION
Statement of Cash Flows
Year Ended September 30, 2013

Cash flows from operating activities:	
Cash received from State agencies	\$ 8,523,614
Cash received from Federal grantors	5,316,349
Contributions received	155,033
Investment income	3,844
Other receipts	1,337,719
Cash paid to employees and suppliers	(14,821,127)
Interest paid	(37,121)
Net cash provided by operating activities	<u>478,311</u>
Cash flows from investing activities:	
Change in investments	(2,349)
Payments to acquire property and equipment	(97,220)
Proceeds on sale of equipment	12,726
Net cash used in investing activities	<u>(86,843)</u>
Cash flows from financing activities:	
Payments on notes payable	<u>(37,445)</u>
Net increase in cash and cash equivalents	354,023
Cash and cash equivalents at beginning of year	<u>755,451</u>
Cash and cash equivalents at end of year	<u>\$ 1,109,474</u>
Reconciliation of cash and cash equivalents to the balance sheet:	
Cash	\$ 1,065,580
Cash and cash equivalents in investments	<u>43,894</u>
	<u>\$ 1,109,474</u>

(continued next page)

WEST CENTRAL COMMUNITY ACTION
Statement of Cash Flows - Continued
Year Ended September 30, 2013

Reconciliation of change in net assets to net cash provided by operating activities:	
Change in net assets	\$(94,292)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	338,618
Gain on sale of equipment	(12,726)
Changes in assets and liabilities:	
Interest receivable	143
Accounts receivable	355,456
Accounts payable	(70,532)
Accrued salaries and benefits	(16,691)
Compensated absences	(40,873)
Deferred revenue	19,208
Total adjustments	<u>572,603</u>
Net cash provided by operating activities	<u>\$ 478,311</u>

See notes to financial statements.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

West Central Community Action (the Agency), a not-for-profit corporation, is a community action agency that serves the Iowa counties of Cass, Crawford, Fremont, Harrison, Mills, Monona, Montgomery, Page, Pottawattamie, and Shelby. West Central Community Action is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law, which provides tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes.

West Central Community Action administers various programs funded by Federal, State and local governmental bodies. Each program is accounted for as a separate fund. As indicated on Exhibit B, the Agency received approximately 77% of its revenues from five governmental funding sources. The Agency has renewed substantially all of these governmental funding sources for fiscal year October 1, 2013 to September 30, 2014.

B. Fund Accounting

The accounts of West Central Community Action are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, net assets, revenues and expenses. The various funds are summarized as follows in the financial statements:

Administrative Fund - The Administrative Fund represents funds derived from local sources such as donations and miscellaneous activities. The Agency's overall management and administrative expenses are charged to the Indirect Fund, which is part of the Administrative Fund and then allowable indirect costs are allocated to the various programs which the Agency administers.

Program Funds - Program Funds are used to account for the revenues and expenses that are contractually restricted by the funding source for specific purposes.

Plant Fund - The Plant Fund is used to accumulate the net investment in fixed assets and to account for the unexpended resources contributed specifically for the purpose of acquiring fixed assets for the Agency.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recorded when the liability is incurred.

Purchases of property and equipment providing future benefits are recorded as expenses in the program at the time of purchase and capitalized in the plant fund.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Agency and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Temporarily restricted net assets are those whose use by the Agency has been limited by grantor agencies to a specific time period or purpose.

Revenues and expenses are reported as increases or decreases in unrestricted net assets unless use of the related assets is limited by donor- or grantor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

E. Assets, Liabilities and Net Assets

The following accounting policies are followed in preparing the combined statement of financial position:

Cash and Cash Equivalents - The Agency considers demand deposits and all other highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments - Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses (expenses over revenues) unless the income or loss is restricted by donor or law. Unrealized gains or losses are recorded in investment income (loss) on trading securities and as a change in net assets on available for sale and held to maturity securities.

Receivables from Grantor Agencies - Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenditures as of the beginning and end of the year. Receivables from Grantor Agencies represent an excess of expenditures over cash basis reimbursements at year end.

All receivables are considered fully collectible. Accordingly, no provision for uncollectible amounts has been recorded.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Receivables/Payables from Other Funds - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. To the extent that certain transactions between funds had not been paid or received as of September 30, 2013, balances of interfund amounts receivable or payable have been recorded.

Prepaid Expenses - Prepaid expenses consist of the unexpired portion of insurance premiums for Agency auto, liability, property damage, and worker's compensation coverage. There were no prepaid expenses as of September 30, 2013.

Property and Equipment - Property and equipment are valued at historical cost or estimated cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation.

Property and equipment purchased are recorded as expenses in the fund purchasing the asset. The purchases are then capitalized in the plant fund accumulating the net investment in fixed assets. Depreciation has been provided in the plant fund using the straight-line method over the estimated useful lives of the respective assets, generally 5 to 40 years. The depreciated cost of the property and equipment does not purport to be either a realizable value or a replacement value.

Expenses for maintenance, repairs and minor replacements are charged to the current year, while the cost for major replacements and betterments are capitalized into the Plant Fund. The cost of assets disposed of is deleted. No interest costs were capitalized during the year ended September 30, 2013.

Deferred Revenue - Deferred revenue represents an excess of cash advances by the funding source over accrued expenses at year end.

Compensated Absences - Employees of the Agency accumulate a limited amount of earned but unused vacation payable to employees. Amounts representing the cost of compensated absences are recorded as liabilities of the Administrative Fund. This liability has been computed based on rates of pay in effect at September 30, 2013.

Advertising and Promotion Costs - Advertising and promotion costs are expensed as they are incurred. Advertising and promotion costs totaled \$30,148 during the year ended September 30, 2013.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. In-Kind Contributions

The Agency recognizes donated labor, services, materials and rent-free or rent-reduced usage of facilities and equipment as in-kind revenues at the time the services and materials are received. These in-kind contributions and the corresponding expense are valued at their estimated fair market value and recognized in the financial statements in accordance with grant requirements.

G. Total Column

The total column on the combined statements of financial position, activities, and functional expenses is presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - INDIRECT COST RATE AGREEMENT

West Central Community Action entered into an Indirect Cost Rate Agreement with their cognizant agency, Department of Health and Human Services, setting a provisional Indirect Cost Rate of 10.7% from October 1, 2012 to September 30, 2013, until amended. After submitting the indirect cost rate proposal, the Department of Health and Human Services, Division of Cost Allocation granted a predetermined rate of 10.7% effective October 1, 2012 through September 30, 2015. The Indirect Cost allowed is calculated by multiplying the approved rate (10.7%) times the allocation base. The allocation base is the Agency's direct salaries and wages, including fringe benefits and is applicable to all programs. The use of the Indirect Cost Rate allows for an allocation process of the Agency's costs that are incurred for common or joint objectives and, therefore, cannot be readily and specifically identified with a particular project or activity.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2013

NOTE 3 - DEPOSITS AND INVESTMENTS

The Agency's deposits at September 30, 2013 were entirely covered by Federal depository insurance, collateralized with securities or letters of credit held by the Agency or the Agency's agent in the Agency's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

Investments are stated as indicated in Note 1. All cash and certificates of deposit are considered deposits and, therefore, not subject to market value fluctuations. The composition of investments is as set forth below:

Cash and cash equivalents	\$ 43,894
Certificates of deposit	<u>319,586</u>
	<u>\$ 363,480</u>

Investment income is composed entirely of interest income for the year ended September 30, 2013.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2013

NOTE 4 - PROPERTY AND EQUIPMENT

A summary of property and equipment comprising the plant fund at September 30, 2013, categorized by acquiring program/source, is as follows:

<u>Acquiring Program/Source</u>	<u>Land and Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
General Agency	\$ 331,346	\$ --	\$ 2,992	\$ 334,338
Shelby County Early Childhood Center	1,224,249	--	44,598	1,268,847
Harlan Administrative Building	378,088	--	53,231	431,319
Head Start	71,161	427,357	606,449	1,104,967
Child Care Resource & Referral	--	--	104,787	104,787
PCE Empowerment	--	--	8,172	8,172
CSBG	--	--	25,169	25,169
Family Development	--	--	10,741	10,741
Women, Infants and Children	--	84,384	8,745	93,129
Senior Aides	--	--	3,078	3,078
LIHEAP	--	--	25,144	25,144
Weatherization - HEAP	--	17,817	41,509	59,326
Early Head Start ARRA	996,389	295,680	211,548	1,503,617
Early Head Start	--	--	8,701	8,701
Weatherization - DOE ARRA	--	34,510	18,743	53,253
Indirect Cost Pool	--	--	3,179	3,179
Total Cost	<u>3,001,233</u>	<u>859,748</u>	<u>1,176,786</u>	<u>5,037,767</u>
Less Accumulated Depreciation	<u>(638,103)</u>	<u>(734,380)</u>	<u>(618,720)</u>	<u>(1,991,203)</u>
Net	<u>\$2,363,130</u>	<u>\$ 125,368</u>	<u>\$ 558,066</u>	<u>\$ 3,046,564</u>

The components of the Agency's accumulated depreciation at September 30, 2013 are as follows:

	<u>Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Balance Beginning of Year	\$ 541,099	\$ 643,887	\$ 536,161	\$ 1,721,147
Current Year Depreciation	97,004	122,963	118,651	338,618
Less Disposals	<u>--</u>	<u>(32,470)</u>	<u>(36,092)</u>	<u>(68,562)</u>
Balance End of Year	<u>\$ 638,103</u>	<u>\$ 734,380</u>	<u>\$ 618,720</u>	<u>\$ 1,991,203</u>

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2013

NOTE 5 - NOTES PAYABLE

Notes payable consist of the following at September 30, 2013:

Note payable to bank	\$ 51,389
Note payable to bank	272,897
Note payable to U.S. Department of Agriculture (USDA)	464,558
Note payable to U.S. Department of Agriculture (USDA)	<u>38,447</u>
	<u>\$ 827,291</u>

The bank note payable of \$51,389 is payable in monthly installments of \$1,273, which consists of principal and interest computed at 6.25% per annum through July, 2017. The note is secured by a mortgage agreement on a commercial building owned by the Agency.

The bank note payable of \$272,897 is payable in monthly installments of \$2,268, which consists of principal and interest computed at 4.19% per annum through October, 2026. The note is secured by a mortgage agreement on a commercial building owned by the Agency.

The note payable to the USDA of \$464,558 is payable in monthly installments of \$2,300, which consists of principal and interest computed at 4.25% per annum through May, 2043. The note is secured by a mortgage agreement on a commercial building owned by the Agency.

The note payable to the USDA of \$38,447 is payable in monthly installments of \$373, which consists of principal and interest computed at 4.25% per annum through June, 2024. The note is secured by a mortgage agreement on a commercial building owned by the Agency.

The principal and interest payments required on the notes payable for the next five and subsequent years are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 39,193	\$ 35,372	\$ 74,565
2015	41,162	33,403	74,565
2016	43,146	31,419	74,565
2017	42,364	29,165	71,529
2018	31,805	27,487	59,292
2019-2043	<u>629,621</u>	<u>296,078</u>	<u>925,699</u>
	<u>\$ 827,291</u>	<u>\$ 452,924</u>	<u>\$ 1,280,215</u>

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2013

NOTE 6 - LEASE COMMITMENT

West Central Community Action leases office space under operating leases which may be canceled by either party by giving written notice ranging from thirty to ninety days of their intention to vacate the lease. The Agency also leases copy machines and mailing systems under non-cancelable operating leases expiring through March, 2017.

Rental expense under all non-cancelable operating leases for the year ended September 30, 2013 totaled approximately \$16,288.

NOTE 7 - PENSION AND RETIREMENT BENEFITS

Iowa Public Employees Retirement System

The Agency contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 5.95% (was 5.78% through June 30, 2013) of their annual salary and the Agency is required to contribute 8.93% (was 8.67% through June 30, 2013) of annual covered payroll. Contribution requirements are established by State statute. The Agency's contributions to IPERS for the years ended September 30, 2013, 2012, and 2011 were approximately \$395,000, \$374,000, and \$321,100 respectively, equal to the required contribution for that year.

Tax-Sheltered Annuity

The Agency has established a tax-sheltered annuity arrangement. The plan is available to all employees who normally work more than 20 hours per week.

Under the terms of the plan, the Agency makes a matching contribution up to the current IPERS rate (see above for rates) of the annual salary for each employee participating in the plan who elected not to participate in IPERS when the Agency began contributing to IPERS. Amounts credited to individual participants are 100 percent vested immediately. The accumulated monies are paid upon a participant's retirement or termination.

For the year ended September 30, 2013, the Agency's contributions amounted to \$17,860.

WEST CENTRAL COMMUNITY ACTION
Notes to Financial Statements
September 30, 2013

NOTE 8 - COUNTY CONTRIBUTIONS

The Agency received county support totaling \$40,850 in fiscal year 2013. The following table shows the breakdown of the county contributions.

Cass County	\$	3,500
Crawford County		3,000
Fremont County		3,500
Harrison County		4,350
Mills County		2,500
Monona County		2,000
Montgomery County		3,000
Page County		3,500
Pottawattamie County		13,000
Shelby County		<u>2,500</u>
	\$	<u>40,850</u>

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Federal Assistance Grants

West Central Community Action receives a significant portion of its revenues from government grants and contracts, all of which are subject to audit by the federal government. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the government. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits, therefore no liability is accrued on these financial statements.

Agency Risk Management

West Central Community Action is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

Subsequent Event

The Agency has evaluated all subsequent events through January 24, 2014, the date the financial statements were available to be issued.

* * *

SUPPLEMENTAL INFORMATION

WEST CENTRAL COMMUNITY ACTION
Schedule of Activities - Program Funds
Year Ended September 30, 2013

	Head Start - Early Head Start	CSBG
Revenues:		
Governmental Funding Sources:		
Iowa Department of Human Rights	\$ --	\$ 533,792
U.S. Department of Health and Human Services	5,035,194	--
Iowa Department of Public Health	--	--
Iowa Department of Education	--	--
Iowa Department of Human Services	--	--
U.S. Department of Homeland Security	--	--
Various	147,609	--
In-Kind Contributions	973,231	--
Public Support and Contributions	--	--
Co-funding	--	--
Investment income	--	--
Gain on sale of equipment	--	--
Miscellaneous	20,509	--
	<hr/>	<hr/>
Total Revenues	6,176,543	533,792
Expenses:		
Salaries and wages	2,746,178	--
Fringe benefits	927,700	--
Assistance to individuals	539	--
Professional fees	58,897	--
Travel	160,920	--
Occupancy	278,768	--
Utilities and telephone	78,360	--
Supplies and materials	383,032	--
Buildings and equipment	61,030	--
Printing, publications and postage	38,429	--
Insurance	51,882	--
Interest expense	--	--
Miscellaneous	24,472	--
Co-Funding	--	533,792
In-Kind:		
Labor	440,167	--
Materials and other	533,064	--
	<hr/>	<hr/>
Total Expenses Before Allocation of Indirect Costs	5,783,438	533,792
Allocation of Indirect Costs	393,105	--
	<hr/>	<hr/>
Total Expenses	6,176,543	533,792
	<hr/>	<hr/>
Excess of Revenues Over Expenses	--	--
Net Assets at Beginning of Year	--	--
	<hr/>	<hr/>
Net Assets at End of Year	\$ --	\$ --
	<hr/>	<hr/>

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Schedule 1

<u>CACFP Homes</u>	<u>CACFP Centers</u>	<u>WIC</u>	<u>LIHEAP</u>
\$ --	\$ --	\$ --	\$ 3,455,974
--	--	--	--
--	--	414,652	--
947,051	328,749	--	--
--	--	--	--
--	--	--	--
--	--	609	--
--	--	--	--
--	--	--	5,871
20,241	--	22	--
--	--	--	--
--	--	--	--
<u>1,315</u>	<u>--</u>	<u>27</u>	<u>--</u>
968,607	328,749	415,310	3,461,845
100,318	--	218,522	208,406
34,503	--	67,166	52,526
792,400	328,749	--	3,105,177
--	--	--	--
7,012	--	19,361	2,106
8,301	--	28,767	42,467
855	--	9,230	2,362
779	--	28,685	3,170
34	--	--	101
6,325	--	4,135	17,571
--	--	3,365	--
--	--	--	--
3,654	--	5,510	39
--	--	--	--
--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
954,181	328,749	384,741	3,433,925
<u>14,426</u>	<u>--</u>	<u>30,569</u>	<u>27,920</u>
<u>968,607</u>	<u>328,749</u>	<u>415,310</u>	<u>3,461,845</u>
--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

WEST CENTRAL COMMUNITY ACTION
Schedule of Activities - Program Funds - Continued
Year Ended September 30, 2013

	<u>HEAP</u>	<u>Department of Energy</u>
Revenues:		
Governmental Funding Sources:		
Iowa Department of Human Rights	\$ 428,555	\$ 335,749
U.S. Department of Health and Human Services	--	--
Iowa Department of Public Health	--	--
Iowa Department of Education	--	--
Iowa Department of Human Services	--	--
U.S. Department of Homeland Security	--	--
Various	--	--
In-Kind Contributions	--	--
Public Support and Contributions	--	--
Co-funding	--	--
Investment income	--	--
Gain on sale of equipment	12,726	--
Miscellaneous	--	--
	<hr/>	<hr/>
Total Revenues	441,281	335,749
Expenses:		
Salaries and wages	--	--
Fringe benefits	--	--
Assistance to individuals	432,314	335,749
Professional fees	--	--
Travel	--	--
Occupancy	--	--
Utilities and telephone	--	--
Supplies and materials	--	--
Buildings and equipment	--	--
Printing, publications and postage	--	--
Insurance	5,555	--
Interest expense	--	--
Miscellaneous	3,412	--
Co-Funding	--	--
In-Kind:		
Labor	--	--
Materials and other	--	--
	<hr/>	<hr/>
Total Expenses Before Allocation of Indirect Costs	441,281	335,749
Allocation of Indirect Costs	<hr/>	<hr/>
Total Expenses	441,281	335,749
Excess of Revenues Over Expenses	--	--
Net Assets at Beginning of Year	<hr/>	<hr/>
Net Assets at End of Year	<u>\$ --</u>	<u>\$ --</u>

(continued next page)

Schedule 1

<u>Utility Company</u>	<u>Senior Community Services</u>	<u>Wrap Around</u>	<u>Child Care Resource and Referral</u>
\$ 422,220	\$ --	\$ --	\$ --
--	--	--	--
--	--	--	--
--	--	--	--
--	--	680,724	566,853
--	--	--	--
--	429,326	--	--
--	75,489	--	138,314
--	--	--	--
--	63,464	--	--
--	--	--	--
--	--	--	--
--	--	--	2,322
422,220	568,279	680,724	707,489
--	389,271	409,751	270,511
--	47,428	106,118	74,410
422,220	--	--	20,864
--	--	44	15,400
--	2,659	6,863	28,014
--	2,677	62,132	28,076
--	1,268	14,282	7,810
--	580	24,201	16,937
--	--	211	747
--	1,940	1,348	10,856
--	4	565	2,030
--	--	--	--
--	236	11	56,613
--	--	--	--
--	5,463	--	13,696
--	70,026	--	124,618
422,220	521,552	625,526	670,582
--	46,727	55,198	36,907
422,220	568,279	680,724	707,489
--	--	--	--
--	--	--	--
\$ --	\$ --	\$ --	\$ --

WEST CENTRAL COMMUNITY ACTION
Schedule of Activities - Program Funds - Continued
Year Ended September 30, 2013

	Family Development and Self- Sufficiency	Early Childhood Iowa
Revenues:		
Governmental Funding Sources:		
Iowa Department of Human Rights	\$ 352,172	\$ --
U.S. Department of Health and Human Services	--	--
Iowa Department of Public Health	--	--
Iowa Department of Education	--	--
Iowa Department of Human Services	--	--
U.S. Department of Homeland Security	--	--
Various	--	282,640
In-Kind Contributions	29,096	--
Public Support and Contributions	--	--
Co-funding	125	--
Investment income	--	--
Gain on sale of equipment	--	--
Miscellaneous	300	--
Total Revenues	381,693	282,640
Expenses:		
Salaries and wages	210,063	78,084
Fringe benefits	66,840	27,327
Assistance to individuals	--	132,567
Professional fees	--	--
Travel	15,797	4,474
Occupancy	13,768	17,317
Utilities and telephone	3,458	1,433
Supplies and materials	1,248	777
Buildings and equipment	77	321
Printing, publications and postage	1,935	802
Insurance	1,697	629
Interest expense	--	--
Miscellaneous	8,085	7,630
Co-Funding	--	--
In-Kind:		
Labor	5,463	--
Materials and other	23,633	--
Total Expenses Before Allocation of Indirect Costs	352,064	271,361
Allocation of Indirect Costs	29,629	11,279
Total Expenses	381,693	282,640
Excess of Revenues Over Expenses	--	--
Net Assets at Beginning of Year	--	--
Net Assets at End of Year	\$ --	\$ --

See accompanying independent auditor's report.

<u>Outreach</u>	<u>Other</u>	<u>Elimination of Internal Agency Amounts</u>	<u>Total</u>
\$ --	\$ --	\$ --	\$ 5,528,462
--	--	--	5,035,194
--	--	--	414,652
--	--	--	1,275,800
--	--	--	1,247,577
--	2,904	--	2,904
--	97,894	--	958,078
763,750	--	--	1,979,880
--	99,735	--	105,606
449,895	45	--	533,792
--	74	--	74
--	--	--	12,726
<u>100,335</u>	<u>446,916</u>	<u>(344,731)</u>	<u>226,993</u>
1,313,980	647,568	(344,731)	17,321,738
256,609	239,569	--	5,127,282
76,950	66,873	--	1,547,841
--	120,448	(344,731)	5,346,296
--	--	--	74,341
4,421	16,687	--	268,314
114,613	41,631	--	638,517
46,750	24,131	--	189,939
3,305	14,294	--	477,008
3,916	101	--	66,538
4,677	5,223	--	93,241
2,809	14,670	--	83,206
--	21,588	--	21,588
489	2,032	--	112,183
--	--	--	533,792
58,802	--	--	523,591
<u>704,948</u>	<u>--</u>	<u>--</u>	<u>1,456,289</u>
1,278,289	567,247	(344,731)	16,559,966
<u>35,691</u>	<u>33,517</u>	<u>--</u>	<u>714,968</u>
<u>1,313,980</u>	<u>600,764</u>	<u>(344,731)</u>	<u>17,274,934</u>
--	46,804	--	46,804
<u>--</u>	<u>252,637</u>	<u>--</u>	<u>252,637</u>
<u>\$ --</u>	<u>\$ 299,441</u>	<u>\$ --</u>	<u>\$ 299,441</u>

WEST CENTRAL COMMUNITY ACTION
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2013

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant or Program Number</u>
U.S. Department of Health and Human Services		
Direct Programs		
Head Start Program	93.600	07CH6020/46
Head Start Program	93.600	07CH6020/47
Early Head Start	93.600	07CH6020/46
Early Head Start	93.600	07CH6020/47
Indirect Programs		
Passed through Promise Partners		
Maternal, Infant, Early Childhood Home Visiting Program	93.505	5883CH11-EHS
Maternal, Infant, Early Childhood Home Visiting Program	93.505	5883CH11-EHS
Passed through Iowa Department of Human Rights		
Family Development and Self-Sufficiency Program	93.558	FaDSS-13-17
Family Development and Self-Sufficiency Program	93.558	FaDSS-14-17
Low Income Home Energy Assistance Program		
Weatherization Assistance Program	93.568	LIHEAP 13-17
Weatherization Assistance Program	93.568	HEAP-12-17
Weatherization Assistance Program	93.568	HEAP-13-17
Community Service Block Grant		
Community Service Block Grant	93.569	CSBG-12-17
Community Service Block Grant	93.569	CSBG-13-17
Passed through Iowa Department of Human Services		
Wrap Around Grant	93.575	DCFS 09-089-34
Wrap Around Grant	93.575	DCFS 09-089-34
Child Care Resource & Referral Grant	93.575	ACFS 12-095
Child Care Resource & Referral Grant	93.575	ACFS 12-095
Passed through Cass/Mills/Montgomery Early Childhood Iowa		
Child Care and Development Block Grant	93.575	CMMSFY 13 CCRR
Child Care and Development Block Grant	93.575	CMMSFY 2014
Passed through Pottawattamie Early Childhood Iowa		
Child Care and Development Block Grant	93.575	PPEC-2013
Child Care and Development Block Grant	93.575	PPEC-2014
Passed through Harrison/Monona/Shelby Early Childhood Iowa		
Child Care and Development Block Grant	93.575	HMSECI-13-05
Passed through Fremont/Page (Corner Counties) Early Childhood Iowa		
Child Care and Development Block Grant	93.575	CCEC-2013
Child Care and Development Block Grant	93.575	CCEC-2014

Total U.S. Department of Health and Human Services

(continued next page)

<u>Period of Grant</u>	<u>Federal Expenditures</u>
02/01/12 - 01/31/13	\$ 1,533,514
02/01/13 - 01/31/14	2,053,708
02/01/12 - 01/31/13	639,257
02/01/13 - 01/31/14	<u>808,715</u>
	5,035,194
09/01/12 - 03/30/13	33,659
03/31/13 - 03/30/14	<u>64,235</u>
	97,894
07/01/12 - 09/30/13	141,724
07/01/13 - 06/30/14	<u>43,066</u>
	184,790
10/01/12 - 09/30/13	3,455,974
01/01/12 - 12/31/12	46,826
01/01/13 - 12/31/13	<u>381,729</u>
	3,884,529
10/01/11 - 03/31/13	105,908
10/01/12 - 12/31/13	<u>427,884</u>
	533,792
09/01/12 - 08/31/13	648,424
09/01/13 - 08/31/14	32,300
07/01/12 - 06/30/13	358,835
07/01/13 - 06/30/14	121,146
07/01/12 - 06/30/13	30,484
07/01/13 - 06/30/14	--
07/01/12 - 06/30/13	172,943
07/01/13 - 06/30/14	14,037
07/01/12 - 06/30/13	12,113
12/01/12 - 06/30/13	24,233
07/01/13 - 06/30/14	<u>--</u>
	1,414,515
	11,150,714

WEST CENTRAL COMMUNITY ACTION
Schedule of Expenditures of Federal Awards - Continued
Year Ended September 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	CFDA Number	Grant or Program Number
U.S. Department of Homeland Security		
Direct Program		
Emergency Food & Shelter Program	97.024	EF&S Phase 30
<i>Total U.S. Department of Homeland Security</i>		
U.S. Department of Labor		
Indirect Programs		
Passed through Senior Service America, Inc.		
Senior Community Service Employment Program	17.235	AD-23234-12-55-A-24
Senior Community Service Employment Program	17.235	AD-24194-13-55-A-24
<i>Total U.S. Department of Labor</i>		
U.S. Department of Agriculture		
Indirect Programs		
Passed through Iowa Department of Public Health		
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	5883A048
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	5883A048
Passed through Iowa Department of Education		
Child and Adult Care Food Program (Homes)	10.558	83-8011
Child and Adult Care Food Program Expansion		
Minute Menu (Homes)	10.558	83-8011
Child and Adult Care Food Program (Centers)	10.558	83-8010
Passed through Iowa Department of Agriculture & Land Stewardship		
Farmers Market	10.572	WCCA 48
<i>Total U.S. Department of Agriculture</i>		
U.S. Department of Energy		
Indirect Programs		
Passed through Iowa Department of Human Rights		
Weatherization Assistance for Low-Income Persons	81.042	DOE-12-17
Weatherization Assistance for Low-Income Persons	81.042	DOE-13-17
<i>Total U.S. Department of Energy</i>		
Total Expenditures of Federal Awards		
<i>Total Direct Programs</i>		
<i>Total Indirect Programs</i>		

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of West Central Community Action, and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

See accompanying independent auditor's report.

<u>Period of Grant</u>	<u>Federal Expenditures</u>
10/01/11 - 08/31/13	\$ <u>2,904</u>
	2,904
07/01/12 - 06/30/13	312,548
07/01/13 - 06/30/14	<u>116,778</u>
	429,326
10/01/12 - 09/30/13	404,511
10/01/12 - 09/30/13	<u>10,141</u>
	414,652
10/01/12 - 09/30/13	936,580
02/11/13 - 09/13/13	10,471
10/01/12 - 09/30/13	<u>328,749</u>
	1,275,800
05/01/11 - 12/31/14	<u>609</u>
	1,691,061
04/01/12 - 12/31/13	271,441
08/01/13 - 03/31/14	<u>64,308</u>
	<u>335,749</u>
	<u>\$ 13,609,754</u>
	\$ 5,038,098
	\$ 8,571,656

Outstanding Federal Loans - In addition to the above Expenditures of Federal Awards, the Agency had outstanding loans of \$503,005 through the United States Department of Agriculture at September 30, 2013.

WEST CENTRAL COMMUNITY ACTION
U.S. Department of Health and Human Services

Head Start/Early Head Start Grant No. 07CH6020/46
Schedule of Expenditure Comparison - Budget to Actual
For the Period from February 1, 2012 to January 31, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Personnel	\$ 3,125,018	\$ 2,941,676
Fringe benefits	1,201,078	945,491
Travel/mileage/vehicle expense	25,042	7,698
Equipment	154,700	110,629
Supplies	395,950	438,125
Contractual	93,448	108,327
Construction	24,500	450
Other	524,565	653,569
Indirect	<u>462,892</u>	<u>415,927</u>
Total Expenditures	6,007,193	5,621,892
In-Kind:		
Space	121,661	145,094
Professional volunteers	85,000	172,100
Non-professional volunteers	245,000	222,960
Mileage	5,500	7,983
Materials	80,847	219,952
Non Federal cash match	--	1,000
Pre K collaborations/Early Childhood Iowa	<u>105,750</u>	<u>145,854</u>
Total In-Kind	<u>643,758</u>	<u>914,943</u>
Total Expenditures and In-Kind	6,650,951	6,536,835
Less:		
In-Kind	643,758	914,943
Other revenue	<u>--</u>	<u>160,964</u>
Net Grant Expenditure	<u>\$ 6,007,193</u>	<u>\$ 5,460,928</u>

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WEST CENTRAL COMMUNITY ACTION
U.S. Department of Health and Human Services

Head Start/Early Head Start Grant No. 07CH6020/46
Schedule of Expenditure Comparison - Budget to Actual - Continued
For the Period from February 1, 2012 to January 31, 2013

Summary by Functional Category

	<u>Budget</u>	<u>Percentage of Actual</u>	<u>Actual</u>
Administration	\$ 629,985	9.74%	\$ 621,004
T/TA	85,770	1.33%	84,667
Program operations	5,291,438	74.58%	4,755,257
Other revenue	--	2.52%	160,964
In-Kind	<u>643,758</u>	<u>14.35%</u>	<u>914,943</u>
Total Expenditures	6,650,951	102.52%	6,536,835
Less:			
Other revenue	--	2.52%	160,964
Net before in-kind	<u>6,650,951</u>	<u>100.00%</u>	<u>6,375,871</u>
Less in-kind	<u>643,758</u>		<u>914,943</u>
Net Grant Expenditure	<u>\$ 6,007,193</u>		<u>\$ 5,460,928</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Iowa Department of Human Rights

Community Service Block Grant CSBG 12-17
Schedule of Expenditure Comparison - Budget to Actual
For the Period from October 1, 2011 to March 31, 2013

	<u>Budget</u>	<u>Actual</u>
Co-Funded Programs:		
Child and Adult Care Food Program	\$ 4,107	\$ 20,938
Family Development and Self-Sufficiency	16,886	24,235
Emergency Food and Shelter Program	100	--
Head Start	250	--
Outreach	434,297	415,145
Senior Aides	60,000	53,703
Women, Infants and Children	250	270
Iowa Individual Assistance Program	--	1,599
Total Expenditures	<u>\$ 515,890</u>	<u>\$ 515,890</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Iowa Department of Education

Child and Adult Care Food Programs
Schedule of Expenditure Comparison - Budget to Actual
Day Care Homes - Contract 83-8011
For the Period from October 1, 2012 to September 30, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Personnel	\$ 140,094	\$ 131,388
Supplies	3,048	4,451
Transportation	5,502	4,177
Rent/utilities	9,605	8,067
Communications	4,154	3,595
Dues/fees/registrations	324	--
Indirect	14,990	14,058
	<u>177,717</u>	<u>165,736</u>
Food costs - home providers	795,552	792,400
	<u>973,269</u>	<u>958,136</u>
Total Expenditures	973,269	958,136
Less:		
Supported by CSBG funds	5,277	20,241
Other revenue	--	1,315
	<u>5,277</u>	<u>21,556</u>
Net Funded by Grant	<u>\$ 967,992</u>	<u>\$ 936,580</u>

Child and Adult Care Food Programs
Expansion Minute Menu
Schedule of Expenditure Comparison - Budget to Actual
Day Care Homes - Contract 83-8011
For the Period from February 11, 2013 to September 13, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Personnel	\$ 1,001	\$ 2,409
Fringe benefits	488	1,024
Supplies	236	--
Advertising	400	506
Transportation	519	127
Communications	400	159
Training/travel	5,968	4,944
Dues/fees/registrations	1,300	935
Indirect	159	367
	<u>10,471</u>	<u>10,471</u>
Net Funded by Grant	<u>\$ 10,471</u>	<u>\$ 10,471</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Iowa Department of Education

Child and Adult Care Food Programs
Schedule of Expenditure Comparison - Budget to Actual
Child Care Centers - Contract 83-8010
For the Period from October 1, 2012 to September 30, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Wages	\$ 14,905	\$ --
Fringe benefits	5,095	--
Indirect	2,140	--
Food costs	330,000	322,405
Kitchen supplies and other costs	<u>3,000</u>	<u>6,344</u>
Net Funded by Grant	<u>\$ 355,140</u>	<u>\$ 328,749</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Iowa Department of Public Health

Special Supplemental Food Program for Women, Infants and Children
Contract 5883 A048

Schedule of Expenditure Comparison - Budget to Actual
For the Period from October 1, 2012 to September 30, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Salaries and fringe benefits	\$ 306,766	\$ 285,139
Other	86,206	88,912
Indirect	32,848	30,509
Total	<u>425,820</u>	<u>404,560</u>
Less:		
Other revenue	--	27
Supported by CSBG funds	--	22
	<u>--</u>	<u>49</u>
Total Grant Expenditures	<u>\$ 425,820</u>	<u>\$ 404,511</u>

Breast Pump Expenses
Schedule of Expenditure Comparison - Budget to Actual
For the Period from October 1, 2012 to September 30, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures	<u>\$ 7,000</u>	<u>\$ 10,141</u>

Iowa Department of Agriculture & Land Stewardship

Farmers Market
Schedule of Expenditure Comparison - Budget to Actual
For the Period from October 1, 2012 to September 30, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures	<u>\$ 750</u>	<u>\$ 609</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Iowa Department of Human Rights

Low Income Home Energy Assistance Program
Contract LIHEAP-13-17

Schedule of Expenditure Comparison - Budget to Actual
For the Period from October 1, 2012 to September 30, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Regular assistance	\$ 2,775,878	\$ 2,627,076
Emergency crisis intervention program	163,959	163,901
Summer deliverable fuel	314,200	314,200
Administration	<u>350,797</u>	<u>356,668</u>
Total Expenditures	3,604,834	3,461,845
Less:		
I Care support of Program	--	5,272
Project Share support of Program	<u>--</u>	<u>599</u>
	<u>--</u>	<u>5,871</u>
Total Grant Expenditures	<u>\$ 3,604,834</u>	<u>\$ 3,455,974</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Iowa Department of Human Rights

Weatherization Assistance Programs
Contract HEAP 12-17

Schedule of Expenditure Comparison - Budget to Actual
For the Period from January 1, 2012 to December 31, 2012

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Administration	\$ 39,783	\$ 2,000
Health and safety	142,520	207,956
Support	181,306	9,566
Labor	194,386	1,114
Materials	194,386	7,893
Equipment/training	30,000	839
Pollution/mold insurance	5,555	5,555
Augmented support	<u>109,991</u>	<u>109,991</u>
Total Expenditures	<u>\$ 897,927</u>	<u>\$ 344,914</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Iowa Department of Human Rights

Utility Weatherization Assistance Programs
Contract IPL-12-17

Schedule of Expenditure Comparison - Budget to Actual
For the Period from January 1, 2012 to December 30, 2012

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Administration	\$ 2,706	\$ 2,151
Support	5,413	4,849
Labor	23,004	24,648
Materials	<u>23,004</u>	<u>22,479</u>
Total Expenditures	<u>\$ 54,127</u>	<u>\$ 54,127</u>

Utility Weatherization Assistance Programs
Contract MEC-12-17

Schedule of Expenditure Comparison - Budget to Actual
For the Period from January 1, 2012 to December 30, 2012

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Administration	\$ 6,315	\$ 6,315
Support	12,631	11,432
Labor	53,680	53,120
Materials	<u>53,680</u>	<u>53,609</u>
Total Expenditures	<u>\$ 126,306</u>	<u>\$ 124,476</u>

Utility Weatherization Assistance Programs
Contract BHE-12-17

Schedule of Expenditure Comparison - Budget to Actual
For the Period from January 1, 2012 to December 30, 2012

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Administration	\$ 5,799	\$ 5,110
Support	11,599	11,410
Labor	49,296	51,432
Materials	<u>49,296</u>	<u>48,038</u>
Total Expenditures	<u>\$ 115,990</u>	<u>\$ 115,990</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
U.S. Department of Labor

Senior Service America, Inc.
Senior Aides (Title V) Program Grant
Schedule of Expenditure Comparison - Budget to Actual
For the Period from July 1, 2012 to June 30, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Personnel:		
Wages	\$ 339,809	\$ 339,925
Fringe benefits:		
FICA	25,897	26,008
Workers' compensation	6,835	7,279
Physicals	525	150
Program - Other:		
Sponsor staff cost	12,931	12,931
Transportation	1,600	1,482
Training	450	322
Other	50	--
Project Administration:		
Other admin costs	<u>33,717</u>	<u>33,717</u>
Total Expenditures	<u>\$ 421,814</u>	<u>\$ 421,814</u>
Local Expenditures:		
In-Kind:		
Host Agency Supervision	\$ 15,725	\$ 29,518
Space	20,654	22,922
Other	<u>18,691</u>	<u>26,209</u>
Total In-Kind	<u>\$ 55,070</u>	<u>\$ 78,649</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Iowa Department of Human Services

Wrap Around Child Care Grant
Grant #DCFS 09-089-34

Schedule of Expenditure Comparison - Budget to Actual
For the Period from September 1, 2012 to August 31, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Wages	\$ 348,000	\$ 375,144
Fringe benefits	159,633	130,426
Travel and training	5,000	7,056
Repairs/maintenance	12,000	14,415
Rent	48,000	47,635
Utilities	9,000	6,447
Communications	12,500	8,968
Supplies	20,000	24,248
Insurance	550	565
Indirect	<u>54,317</u>	<u>54,096</u>
Total Expenditures	<u>\$ 669,000</u>	<u>\$ 669,000</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Iowa Department of Human Services

Child Care Resource and Referral Program
Grant ACFS-12-095

Schedule of Expenditure Comparison - Budget to Actual
For the Period from July 1, 2012 to June 30, 2013

	<u>Budget</u>	<u>Actual</u>
Child Care Resource and Referral Expenditures:		
Wages	\$ 288,312	\$ 244,159
Fringe benefits	115,656	90,028
Supplies	8,400	7,469
Printing/photocopy/postage/telephone	12,960	10,901
Travel	20,000	21,030
Dues and fees	9,840	6,907
Insurance	2,820	2,031
Space/utilities/maintenance	23,820	25,661
Advertising	1,800	4,147
Tech support	3,600	--
Staff professional development	6,000	7,069
Provider training expense	76,766	82,390
Child net training	26,920	14,645
Indirect	<u>43,225</u>	<u>35,758</u>
Subtotal	640,119	552,195
Less:		
Training/other revenue	<u>--</u>	<u>2,168</u>
Total Child Care Resource and Referral Expenditures	<u>\$ 640,119</u>	<u>\$ 550,027</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Iowa Department of Human Rights
Division of Community Action Agencies

Family Development and Self-Sufficiency Grant
Contract FaDSS-13-17

Schedule of Expenditure Comparison - Budget to Actual
For the Period from July 1, 2012 to September 30, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Indirect costs - administrative	\$ 30,397	\$ 30,282
Personnel wages	199,470	198,697
Fringe benefits	84,612	84,313
Travel	24,400	16,846
Space costs/utilities	21,400	14,965
Telephone	3,500	3,501
Postage	420	364
Publications/dues	120	105
Bonding	1,680	1,632
Supplies/printing	3,686	2,900
Third-party payments	100	55
Other costs	<u>4,118</u>	<u>3,357</u>
Total Expenditures	373,903	357,017
Less:		
Supported by CSBG funds	<u>16,886</u>	<u>125</u>
Total Federal and State Expenditures	<u>\$ 357,017</u>	<u>\$ 356,892</u>
Support by In-Kind Revenue	<u>\$ 20,450</u>	<u>\$ 32,002</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Iowa Department of Human Services

Early Childhood Iowa Programs
Pottawattamie Early Childhood Iowa
Schedule of Expenditure Comparison - Budget to Actual
For the Period from July 1, 2012 to June 30, 2013

	<u>Budget</u>	<u>Actual</u>
Quality Child Care Consultant Expenditures:		
Personnel wages	\$ 72,100	\$ 53,835
Fringe benefits	32,034	27,637
Supplies	2,400	2,608
Rent/insurance	10,500	13,428
Equipment rental/maintenance	360	282
Travel/training	3,600	1,748
Indirect	<u>11,142</u>	<u>8,717</u>
Total Expenditures	<u>\$ 132,136</u>	<u>\$ 108,255</u>
Provider Incentive Expenditures:		
Provider training	\$ 6,000	\$ 5,400
Incentive programs	79,632	84,897
Cribs for providers	<u>21,000</u>	<u>16,260</u>
Total Expenditures	<u>\$ 106,632</u>	<u>\$ 106,557</u>

Boost 4 Families
Cass/Mills/Montgomery Early Childhood Iowa
Schedule of Expenditure Comparison - Budget to Actual
For the Period from July 1, 2012 to June 30, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Personnel wages	\$ 23,788	\$ 17,576
Fringe benefits	5,784	4,085
Supplies	240	19
Rent/utilities/insurance/maintenance	1,590	1,584
Advertising	60	17
Travel	2,580	1,830
Telephone	540	329
Photocopy/postage	360	282
Provider incentive programs	11,374	10,409
Indirect	<u>3,164</u>	<u>2,318</u>
Total Expenditures	<u>\$ 49,480</u>	<u>\$ 38,449</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Iowa Department of Human Services

Early Childhood Iowa Programs
Corner Counties Early Childhood Iowa
Schedule of Expenditure Comparison - Budget to Actual
For the Period from July 1, 2012 to June 30, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Provider training	\$ 4,400	\$ 3,231
Provider incentive programs	<u>19,900</u>	<u>21,002</u>
Total Expenditures	<u>\$ 24,300</u>	<u>\$ 24,233</u>

Harrison/Monona/Shelby Early Childhood Iowa
Schedule of Expenditure Comparison - Budget to Actual
For the Period from July 1, 2012 to June 30, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Wages/accrued leave	\$ 12,060	\$ 9,818
Fringe benefits	2,946	2,279
Supplies	60	--
Rent/utilities/maintenance	988	893
Travel	2,100	1,969
Telephone	120	273
Other direct expenses	120	13
Indirect	<u>1,606</u>	<u>1,294</u>
Total Expenditures	<u>\$ 20,000</u>	<u>\$ 16,539</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
U.S. Department of Homeland Security

Emergency Food and Shelter Program
Schedule of Expenditure Comparison - Budget to Actual
For the Period from October 1, 2011 to August 31, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Administrative costs	\$ 58	\$ 87
Page County	<u>2,846</u>	<u>2,846</u>
Total Expenditures	2,904	2,933
Less:		
Supported by CSBG funds	<u>--</u>	<u>29</u>
Total Grant Expenditures	<u>\$ 2,904</u>	<u>\$ 2,904</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Iowa Department of Human Services

Iowa Individual Assistance Program
Contract FOSU-12-003

Schedule of Expenditure Comparison - Budget to Actual
For the Period from April 18, 2012 to April 17, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Wages	\$ 4,700	\$ 2,313
Fringe benefits	2,075	1,105
Indirect	725	366
Assistance - personal property	42,500	2,827
Assistance - home repairs	<u>100,000</u>	<u>40,880</u>
Total Expenditures	150,000	47,491
Less:		
Supported by CSBG funds	<u>--</u>	<u>1,599</u>
Total Grant Expenditures	<u>\$ 150,000</u>	<u>\$ 45,892</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Promise Partners

Maternal Infant & Early Childhood Home Visiting Program
MIECHV

Schedule of Expenditure Comparison - Budget to Actual
For the Period from September 1, 2012 to March 30, 2013

	<u>Budget</u>	<u>Actual</u>
Expenditures:		
Personnel wages	\$ 79,750	\$ 11,105
Fringe benefits	34,324	3,606
Supplies	12,720	11,407
Consultants	3,600	--
Travel	1,800	251
Other	25,800	5,754
Indirect	<u>12,206</u>	<u>1,574</u>
Total Expenditures	170,200	33,697
Less:		
Support from CSBG funds	<u>--</u>	<u>16</u>
Total Grant Expenditures	<u>\$ 170,200</u>	<u>\$ 33,681</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Schedule of Revenues and Expenses - Administrative Fund
Year Ended September 30, 2013

	<u>Miscellaneous</u>	<u>Indirect Cost Pool</u>	<u>Total</u>
Revenues:			
Public support and contributions	\$ 49,427	\$ --	\$ 49,427
Investment income	3,627	--	3,627
Miscellaneous	<u>113,358</u>	<u>--</u>	<u>113,358</u>
Total Revenues	<u>\$ 166,412</u>	<u>\$ --</u>	<u>\$ 166,412</u>
Expenses:			
Salaries and wages	\$ --	\$ 429,365	\$ 429,365
Fringe benefits	--	114,622	114,622
Assistance to individuals	5,587	--	5,587
Professional fees	--	31,319	31,319
Travel	--	17,481	17,481
Occupancy	31,909	18,213	50,122
Utilities and telephone	14,537	3,862	18,399
Supplies and materials	5,454	13,436	18,890
Building and equipment	8,098	7	8,105
Printing, publications and postage	23,004	19,959	42,963
Insurance	5,404	9,630	15,034
Interest expense	15,533	--	15,533
Miscellaneous	<u>2,043</u>	<u>11,615</u>	<u>13,658</u>
Total Expenses Before Allocation of Indirect Costs	111,569	669,509	781,078
Allocation of Indirect Costs	<u>--</u>	<u>(714,968)</u>	<u>(714,968)</u>
Total Expenses	<u>\$ 111,569</u>	<u>\$ (45,459)</u>	<u>\$ 66,110</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
Administrative Fund - Miscellaneous Detail
Year Ended September 30, 2013

	<u>Total</u>	<u>Corporate</u>
Revenues:		
Public support and contributions	\$ 49,427	\$ 49,427
Investment income	3,627	3,627
Miscellaneous	<u>113,358</u>	<u>17,249</u>
Total Revenues	166,412	70,303
Expenses:		
Assistance to individuals	5,587	5,587
Occupancy	31,909	--
Utilities and telephone	14,537	--
Supplies and materials	5,454	747
Building and equipment	8,098	--
Printing, publications, and postage	23,004	8,064
Insurance	5,404	--
Interest expense	15,533	3,586
Miscellaneous	<u>2,043</u>	<u>2,043</u>
Total Expenses	<u>111,569</u>	<u>20,027</u>
Excess of Revenues over Expenses	<u>\$ 54,843</u>	<u>\$ 50,276</u>

See accompanying independent auditor's report.

Schedule 21

<u>Central Supply</u>	<u>Photocopy</u>	<u>Postage</u>	<u>Administrative Building</u>
\$ --	\$ --	\$ --	\$ --
--	--	--	--
<u>53,544</u>	<u>9,463</u>	<u>16,588</u>	<u>16,514</u>
53,544	9,463	16,588	16,514
--	--	--	--
31,909	--	--	--
14,537	--	--	--
1,648	2,815	244	--
--	6,648	1,450	--
46	--	14,894	--
5,404	--	--	--
--	--	--	11,947
--	--	--	--
<u>53,544</u>	<u>9,463</u>	<u>16,588</u>	<u>11,947</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,567</u>

WEST CENTRAL COMMUNITY ACTION
Schedule of Revenues and Expenditures
Indirect Cost Allocations Pool
For the Year Ended September 30, 2013

Revenues:

Other Revenue:

\$ --

Indirect Cost Reimbursements from Programs:

Low Income Home Energy Assistance Program	\$ 27,920
Head Start	290,967
Early Head Start	102,138
Wrap Around Child Care Grant	55,198
Women, Infants and Children	30,569
Child and Adult Care Food Program - Homes	14,059
Child and Adult Care Food Program - Minute Menu	367
Child Care Resource and Referral	36,907
Family Development and Self-Sufficiency	29,629
Senior Service America, Inc.	46,727
H/M/S Early Childhood Iowa	954
Pottawattamie Early Childhood Iowa	8,664
C/M/M Early Childhood Iowa	1,661
Emergency Food and Shelter	7
Outreach Cost Allocation Pool	35,691
Maternal Infant and Early Childhood Home Visitation	6,654
Weatherization Cost Allocation Pool	<u>26,856</u>

Total Indirect Cost Reimbursements from Programs	<u>714,968</u>
--	----------------

Total Support and Revenues	714,968
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(continued next page)

WEST CENTRAL COMMUNITY ACTION
 Schedule of Revenues and Expenditures - Continued
 Indirect Cost Allocations Pool
 For the Year Ended September 30, 2013

Expenditures:

Salaries and wages	\$ 429,365
Fringe benefits	114,622
Supplies	10,896
Rent	17,670
Travel	11,310
Telephone	3,862
Advertising	983
Photocopy	5,312
Postage	7,989
Subscriptions/publications	1,504
Computer expenses	2,540
Dues/fees/registration	5,154
Audit and professional fees	31,319
Insurance	9,630
Board expenses	6,171
Training	4,648
Annual board meeting expense	5,086
Building maintenance	543
Equipment maintenance	7
Direct deposit fees	898
Total Expenditures	<u>669,509</u>
Excess of Revenues Over Expenditures	45,459
Net Assets - Beginning of Year	<u>239,325</u>
Net Assets - End of Year	<u>\$ 284,784</u>

See accompanying independent auditor's report.

WEST CENTRAL COMMUNITY ACTION
 Schedule of Revenues and Expenditures
 Indirect Reimbursement from Programs
 For the Year Ended September 30, 2013

<u>Program</u>	<u>Wages and Fringe Benefits</u>	<u>Indirect Cost</u>
Low Income Home Energy Assistance Program	\$ 260,932	\$ 27,920
Head Start	2,719,318	290,967
Early Head Start	954,560	102,138
Wrap Around Child Care Grant	515,869	55,198
Women, Infants and Children	285,688	30,569
Child and Adult Care Food Program - Homes	131,388	14,059
Child and Adult Care Food Program - Minute Menu	3,433	367
Child Care Resource and Referral	344,921	36,907
Family Development and Self-Sufficiency	276,903	29,629
Senior Service America, Inc.	436,699	46,727
H/M/S Early Childhood Iowa	8,916	954
Pottawattamie Early Childhood Iowa	80,969	8,664
C/M/M Early Childhood Iowa	15,526	1,661
Emergency Food and Shelter	70	7
Outreach Cost Allocation Pool	333,559	35,691
Maternal Infant and Early Childhood Home Visitation	62,189	6,654
Weatherization Cost Allocation Pool	244,183	26,856
	<u>\$ 6,675,123</u>	<u>\$ 714,968</u>

See accompanying independent auditor's report.

COMMENTS AND RECOMMENDATIONS

Gronewold, Bell, Kyhnn & Co. P.C.

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Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Directors of
West Central Community Action
Harlan, Iowa

We have audited the financial statements of West Central Community Action as of and for the year ended September 30, 2013, and have issued our report thereon dated January 24, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Central Community Action's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Central Community Action's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined below.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the Agency's financial statements will not be prevented or detected and corrected on a timely basis.

To the Board of Directors of
West Central Community Action

A significant deficiency is a deficiency or combination of deficiencies in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Central Community Action's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Donewold, Bell, Kyhn & W. P.C.

Atlantic, Iowa
January 24, 2014

Gronewold, Bell, Kyhnn & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS AND FINANCIAL CONSULTANTS

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Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance In Accordance With OMB Circular A-133

To the Board of Directors of
West Central Community Action
Harlan, Iowa

Report on Compliance for Each Major Federal Program

We have audited West Central Community Action's compliance with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of West Central Community Action's major federal programs for the year ended September 30, 2013. The Agency's major federal programs are identified in the summary of the independent auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management of West Central Community Action is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

To the Board of Directors of
West Central Community Action

Opinion on Each Major Federal Program

In our opinion, West Central Community Action complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of West Central Community Action is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Annex, Bill, Kye - Co. P.C.

Atlantic, Iowa
January 24, 2014

WEST CENTRAL COMMUNITY ACTION

Schedule of Findings and Questioned Costs

Year ended September 30, 2013

PART I: Summary of the Independent Auditor's Results

Financial Statements

- (a) Type of auditor's report issued:
- Unmodified
- (b) Internal control over financial reporting:
- Material weakness(es) identified? ☐ yes ☒ no
 - Significant deficiency(ies) identified? ☐ yes ☒ none reported
- (c) Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

- (d) Internal control over major programs:
- Material weakness(es) identified? ☐ yes ☒ no
 - Significant deficiency(ies) identified? ☐ yes ☒ none reported
- (e) Type of auditor's report issued on compliance for major programs:
- Unmodified
- (f) Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of the OMB Circular A-133? ☐ yes ☒ no
- (g) Identification of major programs:
- Low Income Home Energy Assistance Program:
- CFDA Number 93.568
- Community Service Block Grant:
- CFDA Number 93.569
- Senior Community Service Employment Program:
- CFDA Number 17.235
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$408,293.
- (i) Auditee qualified as low-risk auditee? ☒ yes ☐ no

WEST CENTRAL COMMUNITY ACTION

Schedule of Findings and Questioned Costs

Year ended September 30, 2013

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON- COMPLIANCE:

No matters were reported.

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

Part IV: Other Findings Related to Required Statutory Reporting:

No findings were noted for the year ended September 30, 2013.

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